
DIGEST

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HB 588 Original

2017 Regular Session

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Abstract: Provides for a 50% reduction of certain revenue dedications.

Severance Tax on Timber Forest Productivity Fund

Present law (R.S. 3:4411) requires that 75% of certain severance taxes collected on timber are deposited into the Forest Productivity Fund.

Proposed law provides for the deposit of 50% of the severance taxes on timber into the state general fund and reduces the amount of the taxes on timber deposited into the Forest Productivity Fund to 50%.

Workforce Training Rapid Response Fund

Present law (R.S. 17:1874) creates the Workforce Training Rapid Response Fund and directs the treasurer to deposit into the fund at the beginning of each fiscal year an amount sufficient to bring the balance of the fund to \$10 million.

Proposed law reduces the amount the treasurer is directed to deposit from an amount that brings the balance to \$10 million to an amount that brings the balance to \$5 million.

Property Insurance Premium Tax Two Percent Fire Insurance Fund

Present law provides for the collection of a 2% tax on the amount of premiums received from any business that insures property against loss or damage by fire, as well as certain penalties on such insurers.

Present law (R.S. 22:347) creates the Two Percent Fire Insurance Fund and deposits the collections related to insurers of property against loss or damage by fire into the fund.

Proposed law provides for the deposit of 50% of the tax into the state general fund and reduces the amount of the assessment deposited into the Two Percent Fire Insurance Fund to 50%.

Insurance Premium Tax Louisiana State Police Salary Fund

Present law (R.S. 22:831) provides for the levy of an annual tax on gross annual insurance premiums that are not otherwise taxed in present law at a rate of \$185 when the gross annual premiums are \$6,000 or less and \$300 for each additional ten thousand dollars of gross annual premiums when the premiums are over \$6,000.

Present law creates the Louisiana State Police Salary Fund and deposits into the fund \$15.6 million from the gross annual premium tax.

Proposed law reduces the amount of gross annual premium tax deposited into the fund from \$15.6 million to \$7.8 million.

Fire Insurance Premium Tax Louisiana Fire Marshal Fund; Camp Minden Fire Protection Fund

Present law (R.S. 22:835) provides for the levy of 1 1/4% of the gross annual premiums businesses pay for fire insurance. The revenues collected are deposited into the Louisiana Fire Marshal Fund. Further each year, prior to any unexpended or unencumbered monies from the fund going into the state general fund \$50,000 is deposited into the Camp Minden Fire Protection Fund.

Proposed law provides for the deposit of 50% of the premium tax into the state general fund and reduces the amount of the premium tax to the Louisiana Fire Marshal Fund to 50%.

Proposed law reduces the amount of deposit into the Camp Minden Fire Protection Fund from \$50,000 to \$25,000.

Assessment on insurance premiums Fireman Training Fund (1/4 of 1% tax premium)

Present law (R.S. 22:837) provides for the assessment of 1/4 of 1% of the amount of premiums for insurance, other than life insurance premiums, against the loss of or damage of property by fire. Further deposits the proceeds of the assessment to an account in the treasury that is distributed to the LSU, Division of Continuing Education for the inservice fireman training program.

Proposed law provides for the deposit of 50% of the assessment into the state general fund and reduces the amount of the assessment to the fireman training account to 50%.

Assessment on insurance premiums Municipal Fire and Police Civil Service Operating Fund

Present law (R.S. 22:1476) provides for an assessment of .025% of the gross premiums received by insurers doing business in the state. Further, creates the Municipal Fire and Police Civil Service Operating Fund and deposits the assessment into the fund.

Proposed law provides for the deposit of 50% of the assessment into the state general fund and reduces the amount of the assessment to the Municipal Fire and Police Civil Service Operating Fund to 50%.

Legislative Capitol Technology Enhancement Fund

Present law (R.S. 24:39) creates the Legislative Capitol Technology Enhancement Fund and directs the treasurer to deposit \$10 million into the fund on July 1 of each year.

Proposed law reduces the amount the treasurer is directed to deposit into the fund from \$10 million to \$5 million.

Revenues from Riverboat Gaming Revenues Compulsive and Problem Gaming Fund; Support Education in Louisiana First (SELF) Fund; Riverboat Gaming Enforcement Fund

Present law (R.S. 27:91) provides for the collection of revenues related to riverboat gaming.

Present law (R.S. 27:92) further provides for dedications of the revenues collected in present law as follows, after a dedication of 1% of all revenues collected, not to exceed \$500,000 to the Compulsive and Problem Gaming Fund:

- (1) \$100,000 per year per riverboat to the Riverboat Gaming Enforcement Fund
- (2) 3.5% net gaming proceeds - 9% to the SELF Fund; 91% to the Riverboat Gaming Enforcement Fund
- (3) 15% of net gaming proceeds - 9% to the SELF Fund; 91% to the state general fund
- (4) Additional 3% of net gaming proceeds - 100% to the SELF Fund
- (5) Additional 3% of net gaming proceeds - 100% to the SELF Fund
- (6) Additional franchise fee between 0% and 3% of net gaming proceeds depending on the amount of net gaming proceeds in month - 100% to the SELF Fund.

Proposed law reduces the dedications of revenues related to riverboat gaming by 50% and deposits the remaining revenues into the state general fund.

Revenues from Land Based Casino Gaming Operations Compulsive and Problem Gaming Fund; Casino Support Services Fund; Support Education in Louisiana First (SELF) Fund

Present law (R.S. 27:270) requires the land based casino in New Orleans to deposit all monies received from gaming operations into a corporate operating account.

Present law requires deposit of 1% of the casino's operating account, not to exceed \$500,000 per fiscal year, into the Compulsive and Problem Gaming Fund.

Proposed law decreases the amount required for deposit into the Compulsive and Problem Gaming Fund from land based casino revenues by from 1%, not to exceed \$500,000 to .5%, not to exceed \$250,000.

Present law requires that the land based casino transfer daily to the treasury net revenues that are determined to be surplus to their needs. Such net revenues are deposited into the Casino Support Services Fund and the Support Education in Louisiana First (SELF) Fund as provided in present law.

Proposed law requires 50% of the net revenues transferred to the treasury to be deposited to the state general fund and further reduces the amount of revenues available for deposit into the Casino Support Services Fund and the Support Education in Louisiana First (SELF) Fund by 50%. Proposed law retains present law regarding the percentages and distribution of net revenues available for deposit into the Casino Support Services Fund and the Support Education in Louisiana First (SELF) Fund.

Revenues from Slot Machines

Pari-Mutuel Live Racing Facility Gaming Control Fund; Compulsive and Problem Gaming Fund; Equine Health Studies Program; Southern University AgCenter Program Fund

Present law (R.S. 27:392) provides for the collection of fees, fines and taxes related to slot machines.

Present law creates the Pari-mutuel Live Racing Facility Gaming Control Fund (Gaming Control Fund) and after deposit of 1%, not to exceed \$500,000, into the Compulsive and Problem Gaming Fund, deposits the remainder of the revenues into the Gaming Control Fund. Monies are dedicated to the expenses of the Gaming Control Bd., the Dept. of Justice, and the La. Racing Commission.

Proposed law requires 50% of the revenues to be deposited into the state general fund and 50% of the revenues to be distributed to the Compulsive and Program Gaming Fund and the Gaming Control Fund.

Proposed law reduces the deposit into the Compulsive and Problem Gaming Fund from 1%, not to exceed \$500,000 to .5%, not to exceed \$250,000. Further requires the remainder of the revenue that was not deposited into the state general fund to be deposited into the Gaming Control Fund.

Present law creates the Bossier Parish Truancy Program Fund, the St. Landry Parish Excellence Fund, the Calcasieu Parish Fund, and the Orleans Parish Excellence Fund and requires that after the deposits into the Compulsive and Problem Gaming Fund and the Gaming Control Fund, 5% of the state portion of taxable net slot machines from each licensed eligible facility are to be deposited into the corresponding fund.

Proposed law retains present law.

Present law, after the previously described requirements, further requires the deposit of \$12 million of net slot machine revenues into the Louisiana Agriculture Finance Authority Fund.

Proposed law reduces the required amount of the deposit from \$12 million to \$6 million.

Present law, after the previously described requirements, further requires the deposit of \$2 million dollars of combined taxable net slot machine revenue proceeds into the Rehabilitation for the Blind and Visually Impaired Fund. The money in the fund is used for rehabilitation services for the blind, deaf-blind, and visually impaired.

Proposed law reduces the deposit of net slot machine revenues into the Rehabilitation for the Blind and Visually Impaired Fund from \$2 million to \$1 million.

Present law, after the previously described requirements, further requires that if the Revenue Estimating Conference recognizes revenues from the Bossier Parish horse racing facility the treasurer shall deposit \$750,000 each into the Equine Health Studies Program Fund to support the Equine Health Studies Program at the LSU School of Veterinary Medicine and the Southern University AgCenter Program Fund to support Southern University AgCenter programs.

Proposed law reduces the amount deposited into the Equine Health Studies Program Fund and the Southern University AgCenter Program Fund from \$750,000 to \$375,000.

Present law, after the previously described requirements, further requires the deposit of \$200,000 to the Beautification and Improvement of the New Orleans City Park Fund. Following this requirement, further requires the deposit of \$50,000 into the Southern University Urban Tourism and Marketing Program and \$50,000 to the Orleans Parish District Attorney's Office.

Proposed law retains present law.

Present law, after the previously described requirements, further requires any remaining slot machine proceeds to be deposited into the state general fund.

Proposed law retains present law.

Present law, after the previously described requirement to the Compulsive and Program Gaming Fund, the Gaming Control Fund, the Bossier Parish Truancy Program Fund, the St. Landry Parish Excellence Fund, the Calcasieu Parish Fund, and the Orleans Parish Excellence Fund, requires the deposit of taxable net slot machine proceeds collected from the licensed eligible facility in New Orleans in various specified amounts to the Beautification and Improvement of New Orleans City Park Fund, the Greater New Orleans Sports Foundation Fund, the Algiers Economic Development Foundation Fund, New Orleans Urban Tourism and Hospitality Training in Economic Development Fund, the Beautification Project for New Orleans Neighborhoods Fund, the Friends of NORD Fund, and the New Orleans Sports Franchise Assistance Fund.

Proposed law retains present law.

**Revenues From Video Draw Poker Devices
Compulsive and Problem Gaming Fund; Video Draw Poker Device Fund; Video Draw
Poker Device Purse Supplement Fund**

Present law provides for the collection of taxes, fees, fines and penalties related to video draw poker devices.

Present law (R.S. 27:437) creates the Video Draw Poker Device Fund and, after deposit of 1% of the revenues not to exceed \$500,000 into the Compulsive and Problem Gaming Fund and deposit of a portion of a franchise fee into the Video Draw Poker Device Purse Supplement Fund , deposits the remainder of the revenues into the Video Draw Poker Device Fund.

Proposed law changes the deposit of the revenues into the Compulsive and Problem Gaming Fund from 1% not to exceed \$500,000 to .5% not to exceed \$250,000.

Proposed law further provides for the deposit of the remaining revenues into the state general fund and reduces the amount of the remaining revenues to the Video Draw Poker Device Fund to 50%.

Present law (R.S. 27:439) creates the Video Draw Poker Device Purse Supplement Fund and deposits into the fund .5% of the franchise fee on video draw poker devices.

Proposed law provides for the deposit of the portion of the franchise fee into the state general fund and reduces the amount of the franchise fee to the Video Draw Poker Device Purse Supplement Fund to 50%.

Tobacco Settlement Enforcement Fund

Present law (R.S. 39:98.7) creates the Tobacco Settlement Enforcement Fund and provides for the deposit into the fund of any monies appropriated from the legislature. Further directs the treasurer to annually transfer \$400,000 from the state general fund to the fund.

Proposed law reduces the amount the treasurer is directed to annually transfer to the fund from \$400,000 to \$200,000.

**Income tax on nonresident professional athletes
Sports Facility Assistance Fund**

Present law (R.S. 39:100.1) creates the Sports Facility Assistance Fund and deposits into the fund income taxes collected that are from nonresident professional athletes and sports franchises that was earned in Louisiana.

Proposed law provides for the deposit of 50% of the tax on nonresidential athletes into the state general fund and reduces the amount of the tax to the Sports Facility Assistance Fund to 50%.

Proceeds recovered by the Attorney General

Department of Justice Legal Support Fund

Present law (R.S. 42:259) establishes the Department of Justice Legal Support Fund which is comprised of proceeds recovered by the attorney general on behalf of the state. Further limits the annual deposit of recovered proceeds into the fund to an amount that does not exceed \$10 million or allow the balance of the fund to exceed \$10 million.

Proposed law changes the limitation on the deposit of proceeds into the fund from \$10 million to \$5 million.

Present law provides that after making the required deposit into the fund, the remaining proceeds received shall be deposited into the state general fund.

Proposed law retains present law.

Present law (R.S. 42:262) provides for the deposit of that any recovery or award of attorney fees, including settlement, in litigation involving state agencies excluding higher education into the Department of Justice Legal Support Fund.

Proposed law provides for the deposit of 50% of the recovery or award into the state general fund and reduces the amount of the recovery or award to the Department of Justice Legal Support Fund to 50%.

Telecommunications Tax Telecommunications for the Deaf Fund

Present law provides for the levy of a sales and use tax on the sales price of telecommunications services.

Present law (R.S. 47:301.1) deposits \$1 million of the revenues from the sales tax on telecommunication services to the Telecommunications for the Deaf Fund.

Proposed law reduces the amount of the tax deposited into the fund from \$1 million to \$500,000.

Present law (R.S. 47:1061) levies a tax of 5¢ per month on each resident and business telephone access line. Further requires the deposit of revenues remitted to the Dept. of Revenue into the Telecommunications for the Deaf Fund.

Proposed law provides for the deposit of 50% of the tax each telephone access line into the state general fund and reduces the amount of the tax to the Telecommunications for the Deaf Fund to 50%.

Sales Tax Marketing Fund; Louisiana Economic Development Fund

Present law provides for the levy of certain sales taxes.

Present law (R.S. 47:318) further provides that 4/10 of 1% of certain sales taxes collected are dedicated as follows:

- (1) \$2 million deposited into the Marketing Fund.
- (2) The remaining portion after the deposit into the Marketing Fund into the Louisiana Economic Development Fund.

Proposed law reduces the amount deposit of sales tax into the Marketing Fund from \$2 million to \$1 million.

Proposed law requires that 50% the remaining portion of sales tax after the deposit into the Marketing Fund is deposited into the state general fund and remaining 50% is deposited into the Louisiana Economic Development Fund.

Present law provides for uses and allocations of the \$2 million deposited into the Marketing Fund.

Proposed law retains the uses in present law, but reduces the allocation amount by half so they do not exceed the \$1 million deposit into the fund in proposed law.

Cigarette Tax

Tobacco Regulation Enforcement Fund; Tobacco Tax Health Care Fund; Tobacco Tax Medicaid Match Fund

Present law (R.S. 47:841) levies a tax on various forms of tobacco, including cigarettes.

Present law creates the Tobacco Regulation Enforcement Fund and requires deposit into the fund of .25¢ per pack of cigarettes from certain taxes levied on cigarettes.

Proposed law reduces the amount of cigarette tax deposited into the fund from .25¢ per pack of cigarettes to .125¢ per pack.

Present law (R.S. 47:841.1) creates the Tobacco Tax Health Care and requires for deposit into the fund the revenues collected from a 7¢ per pack tax on cigarettes and a 5¢ per pack tax on cigarettes.

Proposed law provides for the deposit of 50% of the 7¢ and 5¢ per pack tax on cigarettes into the state general fund and reduces the amount of the tax to the Tobacco Tax Health Care fund to 50%.

Present law further provides for the use of the fund specifying a certain percentage of the money collected from the tax to be used for various healthcare related activities. Further requires, that among the various uses, that the appropriation to the Southern University Agriculture Center is \$1 million per year.

Proposed law provides that the uses of the fund are on a certain percentage of the money collected from the tax and deposited into the fund. Further changes the appropriation to the Southern University Agriculture Center from \$1 million per year to \$500,000 per year.

Present law (R.S. 47:841.2) creates the Tobacco Tax Medicaid Match Fund and requires for deposit into the fund the revenues collected from a 50¢ per pack tax on cigarettes.

Proposed law provides for the deposit of 50% of the 50¢ per pack tax on cigarettes into the state general fund and reduces the amount of the tax to the Tobacco Tax Medicaid Match Fund to 50%.

Rapid Response Fund

Present law (R.S. 51:2361) creates the Rapid Response Fund and directs the treasurer to annually deposit \$10 million into the fund.

Proposed law reduces the amount the treasurer is directed to annually deposit into the fund from \$10 million to \$5 million.

Effective July 1, 2017.

(Amends R.S. 3:4411(B), R.S. 17:1874(B)(3), R.S. 22:347(A), 831(B), 835(C) and (F), 837(C), and 1476(A)(2), R.S. 24:39(B), R.S. 27:92(B)(2), 270(A)(2) and (3)(a)(intro. para.), 392(B)(1), (2)(a), (4), (5), and (6), 437(B), and 439(A), R.S. 39:98.7(B) and 100.1(B)(1), R.S. 42:262(B), R.S. 47:301.1(F), 318(B) and (D), 841(G), 841.1, 841.2(A) and 1061(A)(4), R.S. 49:259(B)(1) and (C)(3), and R.S. 51:2361(A)(2))